

**Soil and Water Conservation Board
Summary of Recommendations - House**

Page VI-55

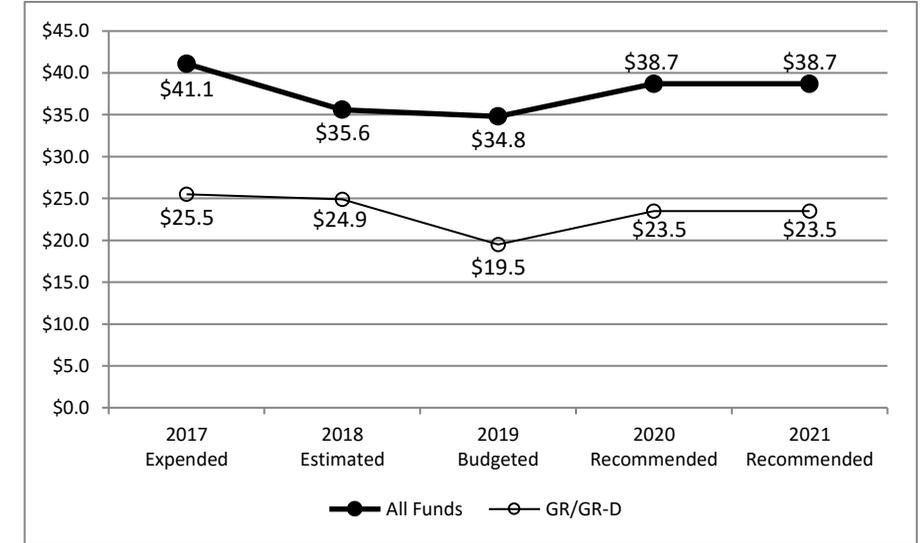
Rex Isom, Executive Director

George Dziuk, LBB Analyst

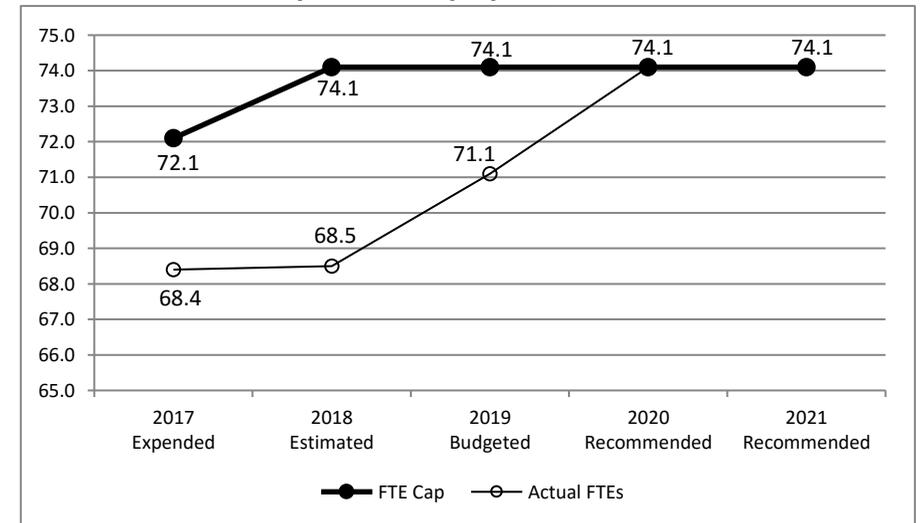
Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$44,419,177	\$46,914,752	\$2,495,575	5.6%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$44,419,177</i>	<i>\$46,914,752</i>	<i>\$2,495,575</i>	<i>5.6%</i>
Federal Funds	\$25,464,212	\$30,573,336	\$5,109,124	20.1%
Other	\$481,365	\$0	(\$481,365)	(100.0%)
All Funds	\$70,364,754	\$77,488,088	\$7,123,334	10.1%

	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	71.1	74.1	3.0	4.2%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

**Soil and Water Conservation Board
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Increase in General Revenue Funding to provide funding for the Water Supply Enhancement Program at levels appropriated by the Eighty-fifth Legislature.	\$2.5	\$0.0	\$0.0	\$0.0	\$2.5	C.1.1
B)	Increase in Federal Funding due primarily to Watershed Rehabilitation Program reimbursements for Flood Control Dam projects. These funds were originally expected in the 2018-19 biennium, but are currently anticipated to arrive in the 2020-21 biennium due to project delays.	\$0.0	\$0.0	\$5.1	\$0.0	\$5.1	A.2.1

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

C)	Decrease in one-time Interagency Contract funding due to expiration of a Criminal Justice Grant from the Office of the Governor for the Carrizo Cane Program.	\$0.0	\$0.0	\$0.0	(\$0.5)	(\$0.5)	C.1.2
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TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$2.5	\$0.0	\$5.1	(\$0.5)	\$7.1	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$2.5	\$0.0	\$5.1	\$0.0	\$7.6	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	\$0.0	(\$0.5)	(\$0.5)	As Listed

NOTE: Totals may not sum due to rounding.

**Soil and Water Conservation Board
Selected Fiscal and Policy Issues - House**

- 1) **Water Supply Enhancement Program.** Recommendations provide \$5.0 million in General Revenue funding with authority for 4.0 FTEs in Strategy C.1.1, Water Conservation and Enhancement, for the Water Supply Enhancement Program which is a \$2.5 million increase and 3.0 FTEs above 2018–19 spending and FTE levels. The Water Supply Enhancement Program is a cost sharing agreement between the state and private landowners. The program's objective is to enhance water availability and promote water conservation by removing water-depleting brush and trees, such as juniper, mesquite, and salt cedar, to provide increased water flow to downstream watersheds. For fiscal year 2018, the agency estimates that 708 million gallons of water were gained statewide for local watersheds from this program.

The Eighty-fifth Legislature appropriated \$5.0 million in General Revenue funding for the program which was reduced by \$2.5 million due to the Governor's Veto Proclamation removing this amount in fiscal year 2019 in Rider 7, Water Supply Enhancement. The Veto Proclamation stated that fiscal year 2018 funds of \$2.5 million were retained for the agency to use for transition purposes associated with program elimination. For the 2020–21 biennium, the agency's baseline request eliminated funding for the Water Supply Enhancement Program and reallocated the remaining \$2.5 million in General Revenue Funding to the following programs in increments of approximately \$0.8 million each:

- a. Flood Control Dam Grant Program to provide a state match for anticipated Federal Funding for dam rehabilitation;
- b. Water Quality Management Plan grants to address a backlog of Water Quality Management Planning requests; and
- c. Carrizo Cane Eradication Program for increased treatment efforts for border security.

Recommendations reverse this reallocation and increase General Revenue funding for this program in an amount equivalent to the vetoed funding. In addition, Recommendations delete Rider 7, Water Supply Enhancement, due to appropriations in Strategy C.1.1, Water Conservation and Enhancement being specifically for this purpose (See also, Rider Highlights - House #7).

Recommendations do not include \$0.8 million each for both the Flood Control Dam program and for Water Quality Management Plan grants previously included by the agency in its base request (See also, Items Not Included in Recommendations - House #1 and #2).

- 2) **Flood Control Dams.** Recommendations include the following:

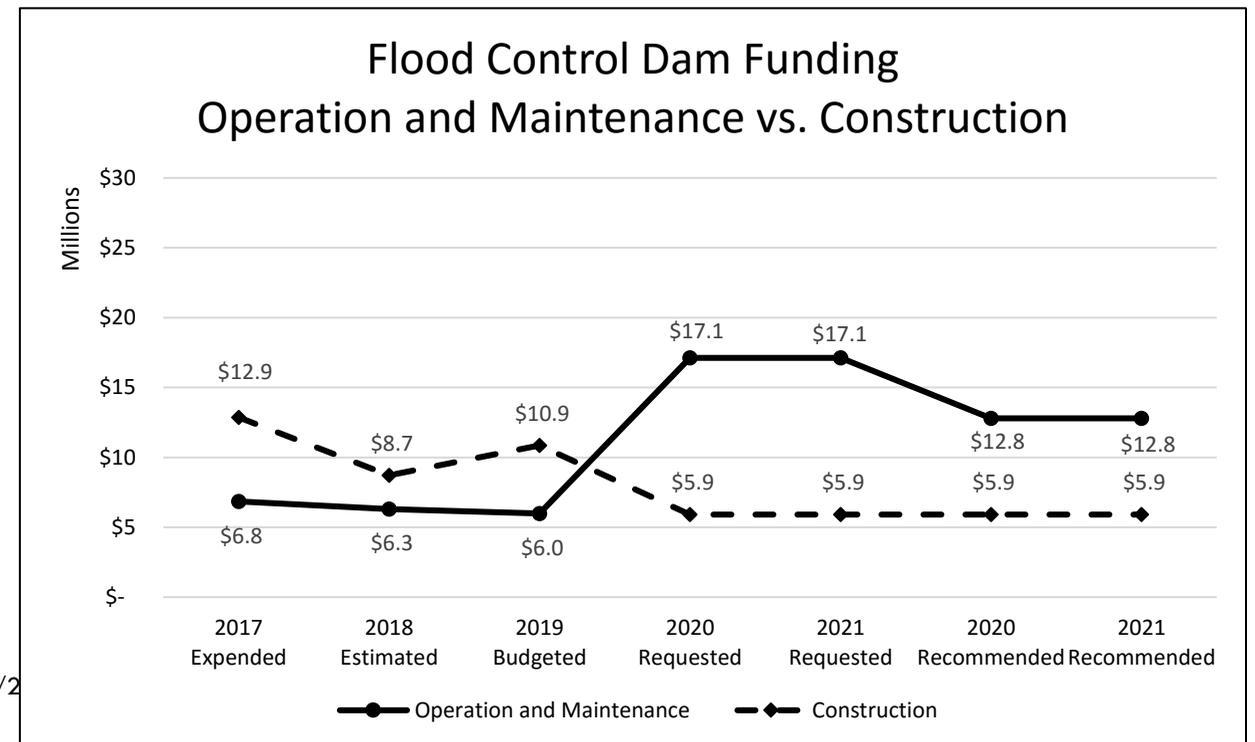
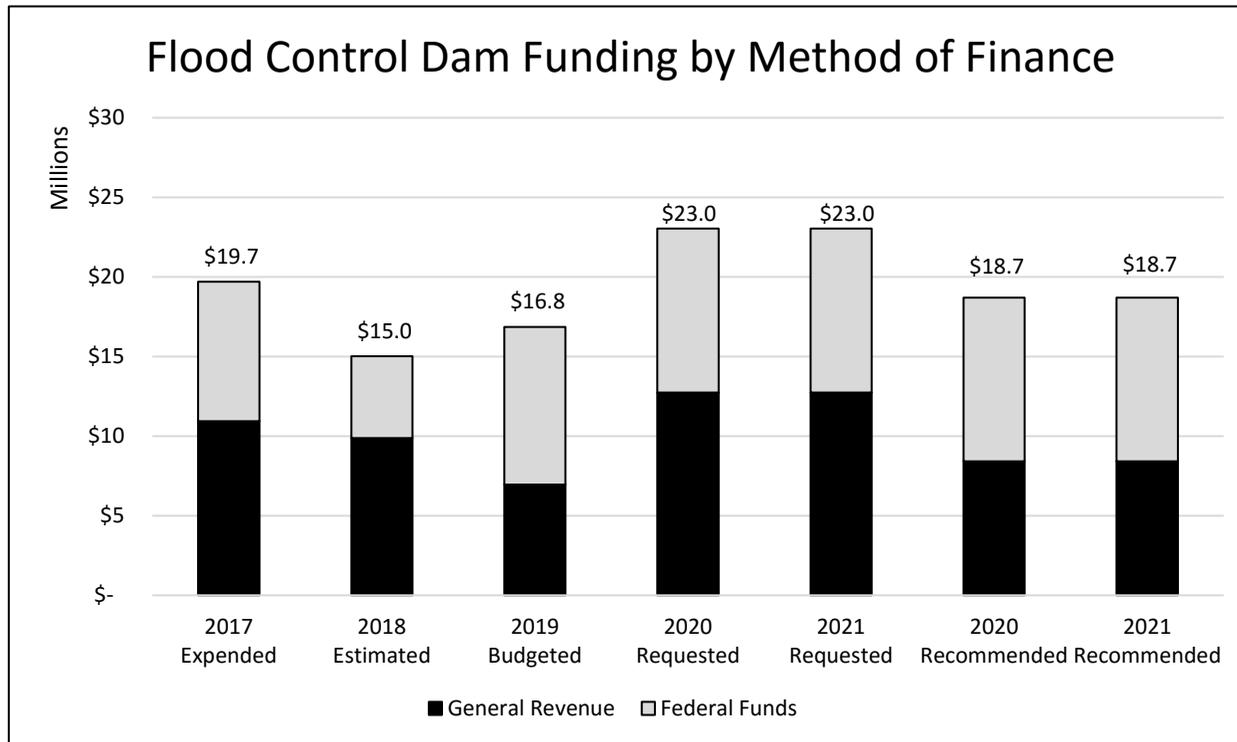
- a) \$37.4 million in All Funds (\$16.8 million in General Revenue Funds and \$20.6 million in Federal Funds) to address the structural repair, operation, and maintenance of earthen flood control dams which represents the 2018–19 biennial General Revenue level and a \$5.5 million increase in Federal Funds;
- b) Separating appropriations into two strategies: Strategy A.2.1, Flood Control Dam Maintenance, and Strategy A.2.2, Flood Control Dam Construction. This recommendation enables the Comptroller's Office to recognize the construction appropriation as a Type-2 appropriation, allowing the agency to pay for construction-related dam repair and rehabilitation projects over five years instead of three, which will provide more needed flexibility when completing larger projects and help reduce the chance of lapsing funds due to extended project completion dates; and
- c) Adding a new rider to establish transferability requirements and authorizations for strategies A.2.1, Flood Control Dam Maintenance, and A.2.2,

Flood Control Dam Construction, with related reporting requirements. This includes restricting transfers out of Strategy A.2.2, Flood Control Dam Construction, without LBB approval while permitting unlimited transfers from Strategy A.2.1, Flood Control Dam Maintenance, into Strategy A.2.2, Flood Control Dam Construction, to prioritize funding for construction projects as they become ready to execute. This permits the agency to retain a majority of the appropriations for Flood Control Dams for maintenance and operations projects that are typically of shorter duration and less costly than construction projects while retaining the flexibility to move funding into Strategy A.2.2, Flood Control Dam Construction when funding for such larger, more costly projects is needed.

The rider also authorizes transfers from Strategy A.2.1, Flood Control Dam Maintenance, to all other Strategies in an amount not to exceed 20 percent. In addition, the agency will be required to report annually on any encumbrances for Flood Control Dam Projects and Federal Funding implications as well as transfers made into Strategy A.2.2, Flood Control Dam Construction, and into or out of Strategy A.2.1, Flood Control Dam Maintenance, within 30 days.

Recommendations do not include a request of \$0.8 million in General Revenue Funds allocated in the agency’s baseline request for flood control dams from funding previously appropriated to Strategy C.1.1, Water Conservation and Enhancement for the Water Supply Enhancement Program. In addition, recommendations do not include \$3.0 million in General Revenue funds requested by the agency for dam projects that do not qualify for federal funding (See also, Item #1 above and Items Not included in Recommendations – House #1). The agency reports that 187 dams do not qualify for federal funding with total repairs needs of \$67 million. These repairs mainly consist of embankment stabilization and spillway repair.

The charts below show total expended, requested, and recommended All Funds amounts for Flood Control Dam Construction and Operation and Maintenance funding by Methods of Finance and by Strategy.



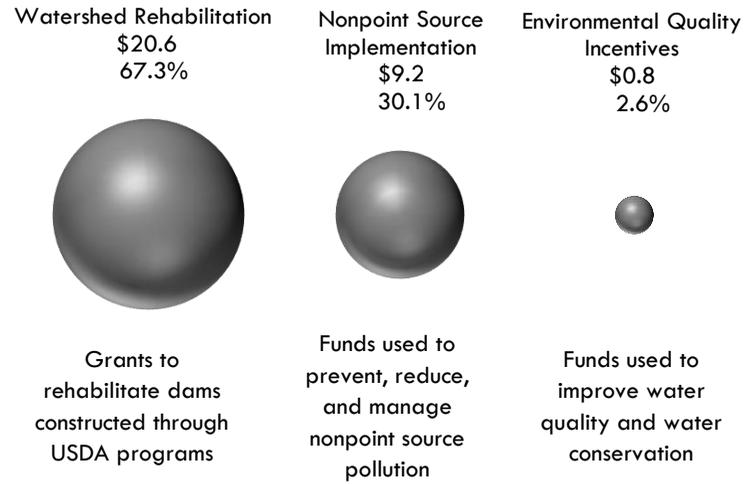
- 3) **Carrizo Cane.** Recommendations continue the 2018–19 funding level of \$3.0 million in General Revenue for Carrizo Cane Eradication with authority for 2.0 FTEs in a new Strategy C.1.2, Carrizo Cane Eradication. Recommendations do not continue \$0.5 million in Criminal Justice Grant (Other Funds) funding that was provided through the Office of the Governor as one-time funding for the same purpose during the 2018–19 biennium. In addition, recommendations delete Rider 10, Carrizo Cane Eradication, due to appropriations being continued in the new strategy (See also, Rider Highlights – House #10).

The agency reports treating an estimated 7,278 acres for the 2018–19 biennium and anticipates treating 4,000 acres for the 2020–21 biennium. This decrease of 3,278 acres which is included in Recommendations for the associated performance measure. The agency reports that the reason for this decrease is due to 2018–19 funding being used to locate and treat the least costly contiguous acreage. Remaining acreage to be treated is both more isolated and more tracts are separated from each other which raises the per acre treatment cost.

Soil and Water Conservation Board

Summary of Federal Funds (2020 - 21) - House

Total \$30.6M

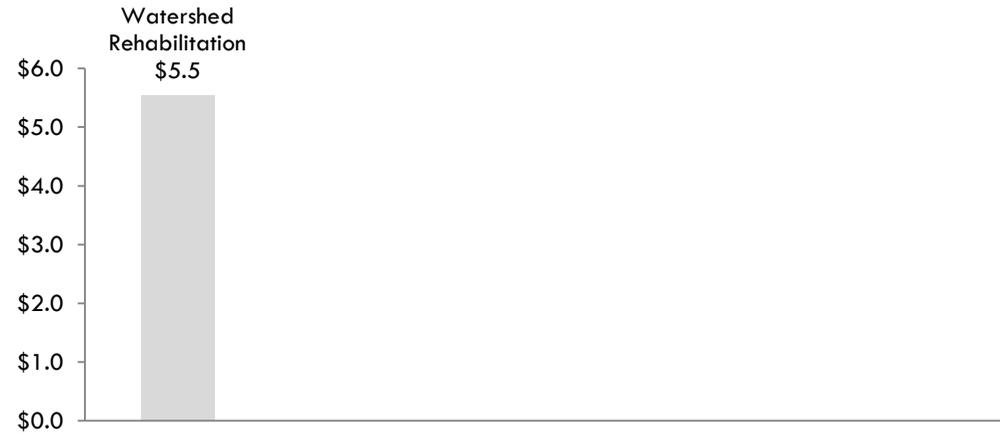


Selected Federal Fiscal and Policy Issues

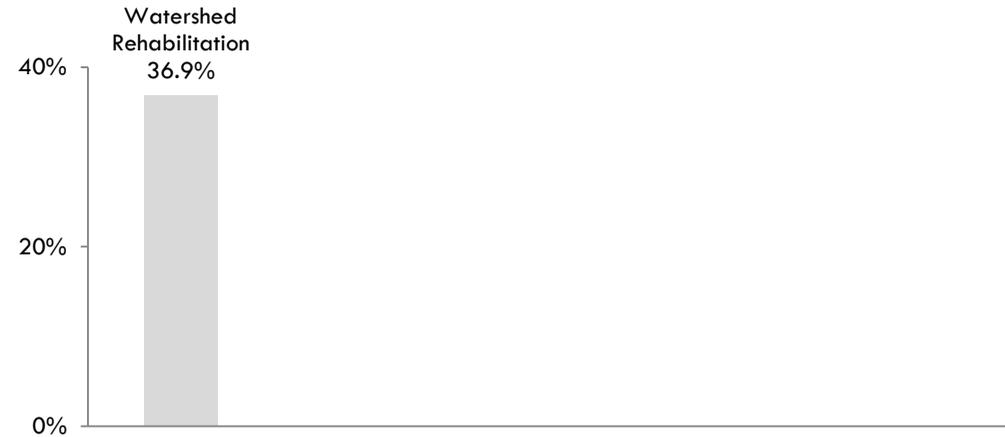
1. The agency's Legislative Appropriation Request increased Watershed Rehabilitation Program funding in fiscal years 2020-21 by \$5.5 million from 2018-19 levels.

Programs with Significant Federal Funding Changes from 2018 - 19

Program- Change - by Amount (in millions)



Program Change - by Percentage



**Soil and Water Conservation Board
Rider Highlights - House**

New Riders

- New 8. **Flood Control Dam Transfer Authority.** Recommendations for this new rider:
1. Restricts transfers out of Strategy A.2.2, Flood Control Dam Construction without prior authorization from the Legislative Budget Board;
 2. Provides unlimited transfer authority from Strategy A.2.1, Flood Control Dam Maintenance, into Strategy A.2.2, Flood Control Dam Construction, and 20 percent transfer authority into strategies other than Strategy A.2.2, Flood Control Dam Construction;
 3. Requires the agency to report to the Legislative Budget Board by August 1st of each year on encumbrances related to flood control dam projects and on any Federal Funding implications; and
 4. Requires the agency to notify the Legislative Budget Board within 30 days of any funds transferred into or out of Strategies A.2.1, Flood Control Dam Maintenance, or into A.2.2, Flood Control Dam Construction, including the method of financing and the purpose for the transfer.

See also, Selected Fiscal and Policy Issue - House #1 and #2 and Items Not Included in Recommendations - House #1.

Deleted Riders

7. **Water Supply Enhancement.** Recommendations delete the rider, but provide funding for this purpose in Strategy C.1.1, Water Conservation and Enhancement (see also, Selected Fiscal and Policy Issue – House #1).
- Old 8. **Flood Control Dam Operation, Maintenance, and Structural Repair.** Recommendations delete the rider, but continue funding for this purpose in Strategy A.2.1, Flood Control Dam Operations and new Strategy A.2.2, Flood Control Dam Construction (see also, Selected Fiscal and Policy Issue - House #1 and #2 and Items Not Included in Recommendations – House #1).
10. **Carrizo Cane Eradication.** Recommendations delete the rider, but continue funding for this purpose in new Strategy C.1.2, Carrizo Cane Eradication (see also, Selected Fiscal and Policy Issue – House #3).

**Soil and Water Conservation Board
Items Not Included in Recommendations - House**

		2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items Not Included (in agency priority order)							
1)	Flood Control Dams 1) \$3.0 million in General Revenue funding for dam rehabilitation projects that do not qualify for federal funding (see also, Selected Fiscal and Policy Issues - House #2). 2.) \$0.8 million in General Revenue funding to provide a state match for anticipated Federal Funding for dam rehabilitation (See also, Selected Fiscal and Policy Issues - House #1 and #2).	\$3,828,856	\$3,828,856	0.0	No	Yes	\$3,828,856
2)	General Revenue funding for the Pollution Abatement Plans for Nonpoint Source Grant Program to address a backlog of Water Quality Management Planning requests (see also, Selected Fiscal and Policy Issues #1).	\$790,568	\$790,568	0.0	No	No	\$790,568
TOTAL Items Not Included in Recommendations		\$4,619,424	\$4,619,424	0.0			\$4,619,424

**Soil and Water Conservation Board
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	10
B	Summary of Federal Funds	12
C	FTE Highlights	13
D	Performance Measure Highlights	14
E	Summary of Ten Percent Biennial Base Reduction Options	15

* Appendix is not included - no significant information to report

** Information is included in the presentation section of the packet

**Soil and Water Conservation Board
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
PROGRAM MANAGEMENT & ASSISTANCE A.1.1	\$12,059,066	\$12,039,668	(\$19,398)	(0.2%)	Recommendations reflect a \$25,775 decrease in General Revenue funding offset by a \$6,377 anticipated increase in Federal Environmental Quality Incentives Program Funding.
FLOOD CONTROL DAM MAINTENANCE A.2.1	\$12,287,784	\$25,586,896	\$13,299,112	108.2%	<p>Recommendations reflect:</p> <p>1. an increase of \$5,616,948 in General Revenue funding reallocated from Strategy A.2.2, Flood Control Dam Construction, for dam maintenance, operations, and engineering.</p> <p>2. an increase of \$7,682,164 in Federal Funds due to Federal Funding reimbursements originally anticipated to arrive in the 2018-19 biennium, but which were delayed to the 2020-21 biennium due to project delays;</p> <p>See also, Selected Fiscal and Policy Issues - House #1 and #2 and Items Not Included In Recommendations - House #1.</p>
FLOOD CONTROL DAM CONSTRUCTION A.2.2	\$19,575,128	\$11,819,550	(\$7,755,578)	(39.6%)	Recommendations reflect a \$5,616,948 decrease in General Revenue funding and a \$2,138,630 decrease in Federal Watershed Rehabilitation Program funding reallocated to Strategy A.2.1, Flood Control Dam Maintenance, for dam maintenance, operations, and engineering (See also, Selected Fiscal and Policy Issues - House #1 and #2 and Items Not Included in Recommendations - House #2)
Total, Goal A, SOIL & WATER CONSERVATION ASSIST.	\$43,921,978	\$49,446,114	\$5,524,136	12.6%	
STATEWIDE MANAGEMENT PLAN B.1.1	\$11,131,599	\$11,131,600	\$1	0.0%	Recommendations reflect a net \$1 increase in Federal Funds due to an anticipated increase of \$188,082 in Nonpoint Source Implementation Grants offset by an anticipated decrease of \$188,081 in Wildlife Conservation and Restoration program funding.

Soil and Water Conservation Board
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
POLLUTION ABATEMENT PLAN B.1.2	\$7,864,356	\$7,423,568	(\$440,788)	(5.6%)	Recommendations reflect a decrease in Federal Funds due to expiration of a one-time Environmental Quality Incentives Program grant award (See also, Selected Fiscal and Policy Issues - House #1 and Items Not Included in Recommendations - House #2).
Total, Goal B, NONPOINT SOURCE POLLUTION ABATEMENT	\$18,995,955	\$18,555,168	(\$440,787)	(2.3%)	
WATER CONSERVATION AND ENHANCEMENT C.1.1	\$2,495,575	\$4,991,150	\$2,495,575	100.0%	Recommendations reflect an increase in General Revenue funding to maintain program funding at levels appropriated by the Eighty-fifth Legislature for the 2018-19 biennium (See also, Selected Fiscal and Policy Issues - House #1) .
CARRIZO CANE ERADICATION C.1.2	\$3,433,365	\$2,952,000	(\$481,365)	(14.0%)	Recommendations reflect a decrease in Interagency Contracts due to expiration of a Criminal Justice Grant from the Criminal Justice Division within the Office of the Governor (See also, Selected Fiscal and Policy Issues - House #3).
Total, Goal C, WATER SUPPLY ENHANCEMENT	\$5,928,940	\$7,943,150	\$2,014,210	34.0%	
INDIRECT ADMINISTRATION D.1.1	\$1,517,881	\$1,543,656	\$25,775	1.7%	Recommendations reflect an increase of \$28,776 in General Revenue funding to support CAPPS deployment offset by a decrease of \$3,001 in General Revenue funding reallocated to Strategy C.1.1, Water Conservation and Enhancement for the Water Supply Enhancement Program (See also, Selected Fiscal and Policy Issues - House #1).
Total, Goal D, INDIRECT ADMINISTRATION	\$1,517,881	\$1,543,656	\$25,775	1.7%	
Grand Total, All Strategies	\$70,364,754	\$77,488,088	\$7,123,334	10.1%	

**Soil and Water Conservation Board
Summary of Federal Funds - House
(Dollar amounts in Millions)**

Program	Est 2018	Bud 2019	Rec 2020	Rec 2021	2018-19 Base	2020-21 Rec	2020-21 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Watershed Rehabilitation Program	\$5.1	\$9.9	\$10.3	\$10.3	\$15.0	\$20.6	67.3%	\$5.5	36.9%
Nonpoint Source Implementation Grants	\$4.5	\$4.5	\$4.6	\$4.6	\$9.0	\$9.2	30.1%	\$0.2	2.1%
Environmental Quality Incentives Program	\$0.5	\$0.8	\$0.4	\$0.4	\$1.2	\$0.8	2.6%	(\$0.4)	(35.2%)
Emergency Watershed Protection	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	0.0%
Wildlife Conservation and Restoration	\$0.1	\$0.1	\$0.0	\$0.0	\$0.2	\$0.0	0.0%	(\$0.2)	(100.0%)
TOTAL:	\$10.2	\$15.3	\$15.3	\$15.3	\$25.5	\$30.6	100.0%	\$5.1	20.1%

**Soil Water Conservation Board
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
Cap	72.1	74.1	74.1	74.1	74.1
Actual/Budgeted	68.4	68.5	71.1	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 3	\$136,651	\$142,303	\$142,303	\$142,303	\$142,303

Note:

a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 18-705, August 2018), indicates a market average salary of \$158,193 for the Executive Director position at the Soil and Water Conservation Board. The report also recommends changing the salary classification group from 3 to 4. The agency is requesting to increase the salary cap for the Executive Director from \$142,303 to \$150,000 with a change from Group 3 to 4.

b) Recommendations include 3.0 FTEs due to reestablishment of funding in Strategy C.1.1, Water Conservation and Enhancement, for the Water Supply Enhancement Program.

**Soil and Water Conservation Board
Performance Measure Highlights - House**

	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
<ul style="list-style-type: none"> Number of Flood Control Dam Maintenance Grants Awarded <p><i>Measure Explanation: This measure reflects the number of flood control dam operation and maintenance grants awarded to dam sponsors for the repair, or major maintenance, on an earthen dam.</i></p>	1	1	1	3	3
<ul style="list-style-type: none"> Number of Flood Control Dam Construction Grants Awarded <p><i>Measure Explanation: This measure reflects the number of flood control dam structural repair grants awarded to dam sponsors for the repair, or major maintenance, on an earthen dam. Fiscal year 2017 grant award totals reflect the agency receiving Emergency Watershed Protection Federal Funds to provide a number of small grants to address flood damage to several earthen dams.</i></p>	17	2	3	3	3
<ul style="list-style-type: none"> Number of Pollution Abatement Plans Certified <p><i>Measure Explanation: Pollution Abatement Plans demonstrate a need of a water quality management plan and areas of emphasis for the agency. This measure reflects the number of plans developed and certified to satisfy compliance with the state's water quality standards.</i></p>	184	200	137	163	163
<ul style="list-style-type: none"> Number of Acres of Carrizo Cane Treated <p><i>Measure Explanation: The number of acres as reported by landowners and contractors that have had carrizo cane treated and eradicated along the Rio Grande River. Recommendations reduce the number of acres treated due to the agency having used previous funding to treat the least costly acreage. Remaining acreage to be treated is both more isolated and more tracts are separated from each other which raises the per acre treatment cost while maintaining appropriations at 2018-19 levels.</i></p>	0	3,488	3,790	2,000	2,000
<ul style="list-style-type: none"> Predicted Number of Gallons of Water Yielded from Water Supply Enhancement Program <p><i>Measure Explanation: This measure reflects the estimated amount of water yielded in all Water Supply Enhancement Program watersheds combined as a result of reduced water-depleting brush and trees.</i></p>	3,105,011,531	707,955,971	87,500,176	1,850,000,000	988,500,000

**Soil and Water Conservation Board
Summary of Ten Percent Biennial Base Reduction Options - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
	Soil and Water Conservation Assistance Grants Program reduction	Soil and Water Conservation Assistance Grants reduced by \$46,500 each year.	\$93,000	\$93,000	0.0	\$0	1%	\$11,239,268	No
	Flood Control Dam Program reduction	Flood Control Operation, Maintenance, and Structural Repair Grants reduced by \$1,094,093 each year.	\$2,188,186	\$2,188,186	0.0	\$0	13%	\$16,830,109	No
	Pollution Abatement Plans for Non-Point Source Pollution Program reduction	Pollution Abatement Plan Grants for Non-Point Source Pollution reduced by \$407,244 each year.	\$814,488	\$814,488	0.0	\$0	42%	\$1,932,000	No
	Pollution Abatement Plans for Problem Agricultural Areas Program reduction	Pollution Abatement Plan Grants for Problem Agricultural Areas reduced and a decrease of 2.0 FTE positions with associated funding for a total reduction of \$517,402 each year.	\$1,034,804	\$1,034,804	0.0	\$0	14%	\$7,423,568	No
	Indirect Administration reduction	Indirect Administration reduced by \$5,720 each year.	\$11,440	\$11,440	0.0	\$0	1%	\$1,546,657	No
TOTAL, 10% Reduction Options			\$4,141,918	\$4,141,918	0.0	\$0			

Note: The agency reported that all listed items are at the same priority level.